



P I A

Personal • Investment • Authority

THE PENSIONS REVIEW:
RECALCULATING LOSS (AND REDRESS)
FOR PHASE 2 TRANSFERS – SERPS ADJUSTMENT

GUIDANCE



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Contents

<i>Introduction</i>	3
<i>Guidance</i>	5
... applying to all firms with potentially affected cases	5
... applying to firms that remain within the PIA scheme	6
... applying to firms that opt out	7
<i>Annex A</i>	
<i>SERPS Adjustment letter</i>	11
<i>Return Form</i>	12
<i>Annex A Form</i>	13
<i>Annex B</i>	
<i>Outline of Loss and Redress Calculations to re-work SERPS adjustment</i>	15
<i>Annex C</i>	
<i>SERPS re-work reporting form</i>	16
<i>Annex D</i>	
<i>Annex D Form</i>	17
<i>Annex E</i>	
<i>Notes to the forms</i>	19

Introduction

This guidance is addressed to all PIA firms who reported Phase 2, category 1 transfer cases as completed¹ on their 31 December 1999 statistical return. It is effective from 14 November 2001.

The proposal to recalculate certain completed Phase 2 transfer cases was first raised in PIA Consultative Paper 34 (CP 34)². CP 34 explained that the ‘SERPS adjustment’ had not worked as intended for cases completed on or before 17 December 1999. Although the guidance had been changed for cases completed after this date, cases completed before had not been corrected.

To remedy this, the PIA proposed to set up and administer a compensation scheme to review and assess, on behalf of member firms, the amount of additional redress which may be due to affected Phase 2 investors. It was also proposed that the PIA would pay any additional redress owed to investors and recover the costs via a levy on firms in the Pensions Review. Firms would be allowed to opt out of the PIA scheme and recalculate cases themselves, and would not pay a levy in respect of those cases.

As a result of the responses received to CP 34, the PIA published, in PIA Consultative Paper 35³ (CP 35) the proposed rules necessary to set up such a compensation scheme along with revised funding proposals. The PIA Board, having considered the responses to CP 35, has decided to implement the compensation scheme as described in CP 35.

On 1 December 2001, the PIA’s responsibilities in this area will be taken over by the FSA and this PIA compensation scheme will be carried forward in accordance with the provisions of The Financial Services and Markets Act 2000 (Transitional Provisions) (Review of Pensions Business) Order 2001⁴.

¹ ‘Completed’ in this context means that an investor had either been informed that there was no loss or had been made an offer of redress (whether or not accepted). This does not include cases where the advice was compliant or where there was no causal link.

² The full title of this Consultative Paper is ‘Pensions Review: Re-calculating loss (and redress) for Phase 2 transfer cases-SERPS Adjustment’ (March 2001).

³ The full title of this Consultative Paper is ‘Pensions Review: Re-calculating loss (and redress) for Phase 2 transfer cases-SERPS Adjustment. Further consultation and response to consultation.’ (August 2001).

⁴ SI 2001/2512

Guidance

1. This guidance, which is effective from 14 November 2001, sets out the procedures firms must use and standards firms must follow during the SERPS recalculation exercise. It is not possible to specify procedures for all possible situations that may arise during the course of the SERPS recalculation exercise. Therefore, where necessary, firms are expected to take a reasonable and pragmatic approach in line with the spirit of existing regulatory guidance.
2. Guidance is provided for:
 - all firms with potentially affected cases;
 - firms that remain within the PIA scheme; and
 - firms that opt out of the PIA scheme.

Guidance applying to all firms with potentially affected cases

Information to be provided to the PIA⁵

3. A firm that reported completed⁶ Phase 2 transfer cases on its 31 December 1999 statistical return must:
 - identify cases requiring recalculation in accordance with paragraphs 4 and 5;
 - tell the PIA whether or not it will recalculate cases itself;
 - if not, for each case, provide the PIA with the information requested by 14 February 2002; and
 - complete the relevant sections of the Return Form at Annex A.

Identifying cases requiring recalculation

4. A case requiring recalculation meets all of the following criteria.
 - It is a transfer case involving a transfer to a personal pension plan⁷.

⁵ Information requested by the PIA must be sent to: The SERPS Adjustment Review, Pensions Unit, 4th Floor, Financial Services Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS.

⁶ See footnote 1.

⁷ Not to a Section 32 policy – these are outside the scope of the scheme.

- The case was completed on or before 17 December 1999. That is to say, on or before 17 December 1999, the investor concerned had either been informed that there was no loss or had been made an offer of redress (whether or not accepted).
 - The case was a Category 1 transfer case⁸.
5. A case that would otherwise require recalculation can be excluded from the recalculation exercise if it meets one or more of the criteria below.
- It is a transfer case where the scheme does not operate fixed rate revaluation but fixed rate was used in the calculation as a minor default.
 - It is a transfer case that was dealt with as part of the priority review.
 - It is a transfer case that was redressed by reinstatement.
 - It is a transfer case that has been closed on the basis that the advice was compliant or that there was no causal link.
 - It is a transfer case that was completed using the revised guidance.⁹
 - It is an actual loss transfer case where the investor had died or passed state pension age at the ‘as at’ date of the original loss calculation.
6. Firms’ records must adequately demonstrate the reason for exclusion.

Notice of intention to opt-out

7. Firms that wish to opt out of the PIA scheme and recalculate all cases themselves must notify the PIA Pensions Unit of their intention to do so by completing section 4 of the Return Form at Annex A.
8. Firms may also opt out of the PIA scheme and conduct the recalculation of their ‘no loss’ cases only, whilst the PIA conducts the recalculation of their loss cases. Firms that wish to follow this option must notify the PIA Pensions Unit of their intention to do so by completing section 4 of the Return Form at Annex A.
9. Notice of intention to opt out must be received by 14 February 2002.¹⁰ Guidance on the procedures firms must follow and the standards firms must meet when recalculating cases themselves is set out in paragraphs 19 to 34.

⁸ A case where the investor transferred benefits from a contracted-out occupational pension scheme operating fixed rate revaluation of Guaranteed Minimum Pension (GMP) to a personal pension.

⁹ As published in FSA Pensions Review Bulletin 10, issued in June 2000.

¹⁰ It is not possible to opt out on a case-by-case basis.

Guidance applying to firms that remain within the PIA scheme

Notification of affected cases

10. Firms that remain in the PIA scheme must submit information from their loss assessments and redress calculations to the PIA, so that the PIA can calculate whether investors are due any additional redress. Annex A of this guidance details the letter to firms requesting information needed to recalculate prospective loss cases and the form to be submitted (the 'Annex A form'). A separate Annex A¹¹ form must be completed and submitted for each case identified as requiring recalculation. Annex D of this guidance also details the information required for actual loss cases and the form to be submitted (the 'Annex D form'). Notes on completing the forms are shown at Annex E.
11. IFAs that remain in the PIA scheme must also complete Section 5 of the Annex A form and/or Section 6 of the Annex D form. Where a firm has answered 'yes' to all questions in sections 5 and/or 6, the firm must submit a copy of the letter from the PI Insurer demonstrating the PI Insurer admitted the original claim and a copy of the policy schedule demonstrating the level of excess at the time, for each Annex A and/or Annex D form submitted. This information will demonstrate whether a case is eligible for cross subsidy. IFAs that fail to submit this information will not receive the benefit of any cross subsidy.
12. The PIA is aware that there may be some cases which require the application of discretion when assessing eligibility for cross subsidy, for example, cases which have been block notified to the PI Insurer. IFAs that are in doubt as to whether cross subsidy will be available for their cases should contact the PIA so that the PIA can consider their circumstances and decide whether cross subsidy should be available.
13. Firms must keep adequate records of all information submitted to PIA.

Recalculation

14. Once a firm has provided completed Annex A and/or Annex D forms, the PIA Pensions Unit will calculate the adjustment to the loss calculation in order to identify whether any additional redress is required¹². The calculation methodology the PIA Pensions Unit will use is outlined in Annex B.

¹¹ If the loss assessment calculation is a combination of separate calculations, separate forms may be needed for each component e.g. if different scheme retirement ages have been used for different components of the GMP when the occupational pension scheme has equalised retirement ages.

¹² The PIA Pensions Unit will perform the precise calculation using RECAL version 4 by taking the difference between the SERPS adjustments as at the date of the original calculation before and after the revised guidance.

'No loss' to loss cases

15. Firms will be notified about all cases which move from 'no loss' to loss as a result of the PIA's recalculation so that firms can pay the redress. Firms may, if they wish, conduct a compliance and/or causation assessment¹³ on these cases where they have not previously done so. If, following this investigation, the firm finds redress is due, the firm will be responsible for paying the redress. No cross subsidy is available for cases that move from 'no loss' to loss.
16. Guidance on redress and contacting investors is set out in paragraphs 24-32. Guidance on reporting requirements following notification of cases moving from 'no loss' to loss is set out in paragraph 35.

Cases where further redress is due

17. Where an investor is due further redress, the PIA Pensions Unit will implement the payment of the redress. The PIA Pensions Unit will liaise with third parties to facilitate this.
18. The PIA will give firms an estimate of its share of the additional redress before it pays the redress. The PIA will issue an invoice for the amount due, with any adjustment made subsequently.

Guidance applying to firms that opt out*Opting out*

19. Firms that choose to opt out of the PIA scheme must conduct the recalculation of cases themselves. In addition, the firm must pay any additional redress due to investors as a result of the recalculation.
20. Category A¹⁴ firms that opt out of the PIA scheme for all cases requiring recalculation, are exempt from the requirement to pay the redress and administration cost levies that would otherwise apply to a Category A firm.
21. Category C¹⁵ firms that opt out of the PIA scheme for all cases requiring recalculation, are only required to pay the levy, associated with this category of firm, for the additional redress costs for affected customers of departed firms. In addition, Category C firms which opt out of the PIA scheme for all cases requiring recalculation will not benefit from

¹³ Compliance and/or Causation assessments must be conducted in accordance with previous regulatory guidance: SIB Pension Transfers and Opt Outs - Review of Past Business: Part I Statement of Policy (October 1994), Part II Specification of Standards and Procedures (October 1994) and PIA Pension Transfers Guidance (July 1995).

¹⁴ Life offices which reported Phase 2 transfer cases as completed at 31 December 1999.

¹⁵ Independent practitioners which reported Phase 2 transfer cases as completed at 31 December 1999.

any cross subsidy they would have received from IFA-using Life Offices had they remained within the scheme.

Recalculation

22. The calculation firms should use when recalculating cases is outlined in Annex B¹⁶. Firms should apply the same detailed actuarial methodology used in the original calculation when recalculating the loss¹⁷. In addition, firms must keep adequate records of all work undertaken during the recalculation of cases.
23. Where the recalculation results in a case moving from ‘no loss’ to loss, firms may, if they wish, conduct a compliance and or causation assessment¹⁸ on the case where they have not already done so. If, following this investigation, the firm finds redress is due, the firm must pay redress to the investor.

Redress

24. For cases where the investor is due further redress, payment must be added to the pension fund which holds the original redress. Where a firm finds this is impracticable *and* it is unable to pay redress in another preferred pensions review form¹⁹, firms can make a cash payment to the investor. Any payment of cash must have regard to Inland Revenue Requirements.
25. For cases which move from ‘no loss’ to loss, the redress now due to the investor must be paid in a form²⁰ that puts the investor, as closely as is reasonably practicable, into the position he would have been in had the guidance been operating correctly at the time. Where the redress payable is trivial, firms can make cash payment to the investor amounting to the additional redress calculated. Any payment of cash must have regard to Inland Revenue Requirements.
26. In an actual loss case, where an annuity is already in payment and the redress payable is trivial, firms can make a cash payment to the investor amounting to the additional redress calculated. Any payment of cash must have regard to Inland Revenue Requirements.

¹⁶ The calculation must be consistent with the approach in Box A of FSA Pensions Review Bulletin 10 (June 2000) which the Industry has accepted as being appropriate for transfer cases under Phase 2.

¹⁷ Alternatively, it is open to firms to use a different system or methodology provided that both the original and revised SERPS adjustments are calculated using the same methodology and the difference is taken. A consistent approach must be applied in all cases.

¹⁸ See footnote 13.

¹⁹ Forms of redress are set out in PIA Redress Guidance (August 1995), paragraph TO7.4.

²⁰ See footnote 19.

Contacting investors

27. For cases where the investor is due further redress and payment into the investor's pension fund is appropriate, firms may pay further redress directly into the investor's pension fund without obtaining explicit prior agreement from the investor. However, firms must inform investors of the additional redress paid as soon as they are notified that the redress has been paid.
28. For cases where the investor is now due redress for the first time, firms must make an offer requiring acceptance in accordance with previous regulatory requirements²¹.
29. The PIA recognises that some firms may wish to make an offer requiring acceptance in all cases where redress is due following a recalculation. Where firms choose to follow this option, they must do so in accordance with previous regulatory requirements²².
30. During the SERPS recalculation exercise, firms are not required to recalculate offers of redress at a later date where the case has not been settled within six months.

Content of letters to investors

31. When writing to investors, firms must incorporate the following details and statements in the letter issued.
 - a) Details of the date at which the investor was originally informed of the outcome of his case.
 - b) The investor's case was calculated in accordance with the Personal Investment Authority's (PIA) guidance at the time. The PIA has become aware that part of this guidance may have resulted in some cases being miscalculated.
 - c) The PIA has recently issued new guidance to remedy this.
 - d) The investor's case is required to be recalculated in line with the new guidance.
 - e) Details of the outcome of the investor's case following recalculation.
 - f) The Financial Services Authority has now replaced the PIA as the firm's regulator.

²¹ PIA Redress Guidance (August 1995), paragraph T08.8. It is not necessary, in this instance, to detail points (a) and (c) of paragraph T08.8.

²² See footnote 21.

Compliance and causation

32. Where a case has moved from 'no loss' to loss and the firm has determined that the case is compliant or the case is non-compliant but there was no causal link, firms must inform the investor in accordance with previous regulatory requirements²³. Firms must also incorporate the requirements set out in paragraph 31.

Deadline and monitoring

33. Firms that opt out of the PIA scheme must settle²⁴ all affected cases or have made all offers of redress, by 31 December 2002²⁵.
34. Firms that opt out of the PIA scheme are required to submit the statistical return shown at Annex C when they have either settled or made all offers of redress for all cases requiring calculation. This form must be submitted no later than 31 December 2002.
35. Firms that remain in the PIA scheme must complete Part 2, boxes 3-6 of the form at Annex C when they have settled or made all offers of redress for all 'no loss' to loss cases handed back by the PIA Pensions Unit. This form must be submitted no later than 31 December 2002.

²³ PIA Pension Transfer Guidance (July 1995) paragraphs T4.7 (b) and T6.3 (b).

²⁴ 'Settle' means that redress has been implemented and the case has been closed.

²⁵ All investors whose cases are compliant or non-compliant but no causal link following recalculation must be informed of the outcome of their case by 31 December 2002.



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Date
Our Ref

Dear

**SERPS Adjustment
Recalculating previously settled cases**

The PIA consultation papers numbered 34 and 35 proposed the PIA create a scheme to recalculate some Phase 2 transfer cases where redress was offered before 17 December 1999. The PIA also proposed the scheme pay further redress on cases where the loss has increased.

The PIA Board considered the responses to the consultation at its meeting on 17 October 2001. At this meeting the PIA Board decided to create the proposed scheme and made the scheme's rules. The PIA will send guidance on how the scheme will work and a copy of its rules shortly. The PIA intends to send these by 14 November.

The pension review return that [name of firm] sent to the PIA at the beginning of 2000 shows a number of cases that need looking at. These include [no of cases] where offers of redress were made and [no of cases] that showed no loss. The PIA scheme can look at these but [name of firm] has the choice of opting out of the scheme and looking at them itself.

[Name of firm] must decide whether to opt out of the scheme or stay in it by 14 February 2002. The effect of opting out of the scheme and what it means for firms is largely as described in the PIA consultation paper number 35. The forthcoming guidance will confirm the effects.

If [name of firm] does not opt out of the scheme it must send details of the affected cases to the PIA by 14 February 2002. The forms enclosed show the details that it must send for each policy. The forthcoming guidance will confirm how to identify the affected cases. This is the same as proposed in the PIA consultation paper CP34.

If [name of firm] does not opt out of the scheme it must send all forms to the PIA together. It must also send a covering letter which states the firm has identified all of its cases. IFA firms should also pay particular attention to the evidence needed about professional indemnity insurance. The forthcoming guidance will confirm this.

The information needed for each case differs if the case was an 'actual loss' or a 'prospective loss'. There are separate forms for each case. Examples of these and guidance on how to complete them are with this letter.

The Company that provided [name of firm] with the calculation software used for the pension review may be able to help identify the required information.

You can telephone the PIA to discuss this letter and the reworking scheme on 020 7676 0998.

Yours sincerely,



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RETURN FORM

1. Details of firm for which the review is to be completed

1.1 SIB/FSA Firm Ref. number

--	--	--	--	--	--

1.2 Firm Name

--

2. All firms

2.1 Number of potentially affected cases located by the PIA

--

3. Only to be completed by firms who are using the PIA scheme

3.1 Number of Annex A & Annex D forms completed under this return

--

4. Only to be completed by firms who are opting out of the PIA scheme

4.1 Please indicate which cases you are opting
to recalculate yourselves.

All cases
No loss cases only



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ANNEX A FORM

This form should be completed if the case was originally calculated as a prospective loss

1. Details of firm for which the review is to be completed

1.1	SIB/FSA Firm Ref. number	<input type="text"/>
1.2	Firm Name	<input type="text"/>

2. Investor Details

2.1	Title	<input type="text"/>
2.2	Forename(s)	<input type="text"/>
2.3	Surname	<input type="text"/>
2.4	Investor's Address	<input type="text"/>
	Property Number	<input type="text"/>
	Street	<input type="text"/>
	Town	<input type="text"/>
	Country	<input type="text"/>
	Post Code	<input type="text"/>
2.5	N.I. Number	<input type="text"/>
2.6	Date of Birth (dd/mm/yyyy)	<input type="text"/>
2.7	Spouse's Date of Birth (dd/mm/yyyy)	<input type="text"/>
2.8	Sex (please tick)	Male <input type="checkbox"/> Female <input type="checkbox"/>
2.9	Marital Status (please tick)	Single <input type="checkbox"/> Married <input type="checkbox"/>

3. Details of case review

3.1	Date of loss assessment calculation (dd/mm/yyyy)	<input type="text"/>
3.2	Date of leaving (dd/mm/yyyy)	<input type="text"/>
3.3	GMP at date of leaving	Pre '88 <input type="text"/>
	(split pre & post '88)	Post '88 <input type="text"/>

Outline of Loss and Redress Calculations to re-work SERPS adjustment

Adjustment to loss calculation

The adjustment to the loss is an increase of:

GMP at date of calculation revalued from date of leaving at fixed rate * $((1+f)^n - (1+s+X)^n)$ * annuity factor * discount factor * probability of survival until State Pension Age (or zero if $s+X > f$)

Where

the calculation date	is that of the original loss assessment calculation
f	is the relevant fixed rate of GMP revaluation e.g. 0.085
s	is the assumption for S148 Orders and X is factor X
n	no. of GMP revaluations between calculation date and State Pension Age

Redress

The additional amount of redress payable¹ is then:

(Adjustment to loss calculation/original loss) * fund value of original redress at date of additional redress grossed up for any initial charges².

A case which was originally a 'no loss' case is returned to the firm to implement redress, in accordance with previous regulatory guidance, if Adjustment to loss calculation - Gain > 0³.

¹ To calculate the additional redress payable, the ratio of the 'adjustment to loss calculation' to the original loss will be multiplied by today's value of the original redress obtained from the investor, relevant product provider or employer's scheme, as needed.

² The investor should be put as closely as is reasonably practicable into the position he would have been in had the revised guidance been used originally. Appropriate allowance must, therefore, be made for charges (e.g. initial charges or charges on a separate policy) and changes in the form of the original redress by subsequent transfer, annuity purchase or encashment.

³ The calculation of loss by the firm to implement redress must be at the date of the original calculation.

Annex C

SERPS RE-WORK REPORTING FORM

Member details

Name of firm:

MRN:

SIB Number:

Address:

.....

.....

.....

.....

- Please tick box if you opted out for all cases requiring recalculation. (Complete Parts 1 & 2)
- Please tick box if you opted out for 'no loss' cases requiring recalculation only. (Complete Part 2 only)
- Please tick box if you remained in the PIA scheme and were handed back cases which moved from 'no loss' to 'loss' by the PIA Pensions Unit. (Complete Part 2, boxes 3-6 only)

Part 1: Loss cases requiring recalculation

1	Number of loss cases identified as requiring recalculation	
2	Number of cases in Box 1 requiring no further redress following recalculation	
3	Number of cases in Box 1 where an offer has been made or further redress has been paid	
4	Number of cases in Box 3 redressed (or offered redress) by a) top-up b) other	
5	Total amount of further redress paid or offered	£

Part 2: 'No loss' cases requiring recalculation

1	Number of 'no loss' cases identified as requiring recalculation	
2	Number of cases in Box 1 showing a loss following recalculation	
3	Number of investors informed that their case is a) compliant b) non-compliant but no causal link	
4	Number of cases where an offer has been made or redress has been paid	
5	Number of cases redressed (or offered redress) by a) reinstatement b) top-up c) other	
6	Total amount of redress paid or offered for cases which have moved from 'no loss' to loss	£

Name:

Title:

Signed:

Date:



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ANNEX D FORM

This form should be completed if the case was originally calculated as an actual loss

1. Details of firm for which the review is to be completed

1.1	SIB/FSA Firm Ref. number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
1.2	Firm Name	<input type="text"/>					

2. Investor Details

2.1	Title	<input type="text"/>					
2.2	Forename (s)	<input type="text"/>					
2.3	Surname	<input type="text"/>					
2.4	Investor's Address	Property Number	<input type="text"/>				
		Street	<input type="text"/>				
		Town	<input type="text"/>				
		Country	<input type="text"/>				
		Post Code	<input type="text"/>				
2.5	N.I. Number	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2.6	Date of Birth (dd/mm/yyyy)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2.7	Spouse's Date of Birth (dd/mm/yyyy)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
2.8	Sex (please tick)	Male	<input type="checkbox"/>	Female	<input type="checkbox"/>		
2.9	Marital Status (please tick)	Single	<input type="checkbox"/>	Married	<input type="checkbox"/>		
2.10	Date of retirement	<input type="text"/>					

3. Details of case review

3.1	Date of loss assessment calculation (dd/mm/yyyy)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3.2	Date of leaving (dd/mm/yyyy)	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
3.3	GMP at date of leaving	Pre '88	<input type="text"/>				
	(split pre & post '88)	Post '88	<input type="text"/>				

Notes to the forms

1. All forms must be completed correctly. If a form is not properly completed, PIA may need to return it to the firm. This could significantly delay PIA's completion of the review and may result in the incorrect amount of additional redress being paid. The following paragraphs provide guidance on how the form must be completed.
2. The regulated firm should complete all sections of the forms.
3. A separate form must be submitted for each case falling within the scope of this exercise, **either** an Annex A or an Annex D form, depending on whether the case was originally calculated as a Prospective Loss or an Actual Loss. Firms with more than one case should photocopy the forms before beginning to complete them.
4. The firm must ensure that:
 - all forms are completed in **BLACK INK** and **BLOCK CAPITALS**;
 - all questions have been answered or been indicated as not applicable;
 - the answers on the form are clearly legible.
5. **All details used in this exercise should be the same as those in the original redress/no loss calculation, even if they have since changed or if inaccurate inputs were used at the time.**

Completing the ANNEX A Form

6. This form should only be completed for cases that were originally calculated prospective losses.

Section 1

7. **Sections 1.1 and 1.2:** The SIB number (or FSA Firm Ref. number as it is now known) and name of the firm completing this review. Even if another firm completed the original review, the SIB number and name of the firm here should still be the one of the firm completing this review.

Section 2

8. **Sections 2.1, 2.2, and 2.3:** These questions are self-explanatory. The name entered should be the one that appears in the relevant policy details.
9. **Section 2.4:** This is the one piece of information being requested which must be current. This should be the investor's current address. All other fields are as used in the original calculation.
10. **Section 2.5:** The investor's permanent National Insurance number should be entered here.

11. **Section 2.6:** This is the investor’s date of birth as used in the original calculation. Please ensure that the date is entered as DDMMYYYY.

e.g. 4th March 1971 should be entered

0	4	0	3	1	9	7	1
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12. **Section 2.7:** This is the investor’s spouse’s date of birth as used in the original calculation. If a default date was used, that is the date that must be used in this calculation. Please ensure that the date is entered as DDMMYYYY.

e.g. 4th March 1971 should be entered

0	4	0	3	1	9	7	1
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13. **Section 2.8:** This is the investor’s sex as used in the original calculation.
 14. **Section 2.9:** This is the investor’s marital status as used in the original calculation.

Section 3

15. **Section 3.1:** This date should be entered as DDMMYYYY.

e.g. 4th March 1971 should be entered

0	4	0	3	1	9	7	1
---	---	---	---	---	---	---	---

The date should be the “as at” date of the original loss assessment used to determine redress. This field can only be 01/02/****; 01/05/*****; 01/08/***** or 01/11/****.

16. **Section 3.2:** This date should be entered as DDMMYYYY and is the date of leaving active scheme membership.

e.g. 4th March 1971 should be entered

0	4	0	3	1	9	7	1
---	---	---	---	---	---	---	---

17. **Section 3.3:** This is the GMP figure as at date of leaving and must be split into both the pre and post 1988 figures. The figures given here must be those used in the original calculation.

18. **Section 3.4:** Either Loss or Gain should be ticked depending upon the result of the original loss calculation.

19. **Section 3.5:** The amount of either the loss or the gain should be input here.

20. **Section 3.6:** This question is self-explanatory.

21. **Section 3.7:** This is the scheme retirement age used in the original calculation.

22. **Section 3.8:** Either Net or Gross should be ticked depending upon which discount rate was used in deferment.

23. **Section 3.9:** If Net has been ticked in Section 3.5, this field must be completed with the amount of the annual management charge used.

Section 4

24. **Sections 4.1:** Either Yes or No should be ticked.
25. **Section 4.2:** Any regulated firm that is unsure of the correct SIB/FSA Firm Ref. number to enter in this section should call the PIA Pensions Unit on 020 7676 0998.
26. **Sections 4.3 and 4.4:** These questions are self-explanatory.
27. **Section 4.5:** This date should be entered as DDMMYYYY and is the date that redress was paid.

e.g. 4th March 1971 should be entered

0	4	0	3	1	9	7	1
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28. **Sections 4.6:** This question is self-explanatory.

Section 5

29. **Sections 5.1 and 5.2:** For cross subsidy to be applied to the cost of providing any further redress:

- ‘Yes’ must have been answered in both sections 5.1 AND 5.2

and

- the following information must have been submitted for each investor

a) a copy of the letter from the PI Insurer admitting the claim

and

b) a copy of the policy schedule showing the level of excess at the time.

These documents should be stapled to the appropriate Annex A or Annex D form.

30. If any of the above cannot be fulfilled, the cross subsidy may not be applied. However, a discretionary approach may be made in some instances. If you are in any doubt about whether the cross subsidy will or will not apply, please contact us on 020 7676 0998.
31. **Section 5.3:** This is the amount of PI excess at the time of the original calculation.

Completing the ANNEX D Form

32. This form should only be completed for cases that were originally calculated as actual losses.

Section 1

33. Sections 1.1 and 1.2: See paragraph 6. above.

Section 2

34. Sections 2.1 to 2.9: See paragraphs 7 to 13 above.
35. Section 2.10: This is the date when the investor started to draw benefits from the personal pension and should be entered as DDMMYYYY.

e.g. 4th March 1971 should be entered

0	4	0	3	1	9	7	1
---	---	---	---	---	---	---	---

Section 3

36. Section 3.1: This date should be entered as DDMMYYYY.

e.g. 4th March 1971 should be entered

0	4	0	3	1	9	7	1
---	---	---	---	---	---	---	---

This is the date when the original calculation was run.

37. Section 3.2 to 3.5: See paragraphs 15 to 18 above.
38. Section 3.6: If the amount given in Section 3.5 above was as a result of a gain, please tick whether it was at the date of review or the date of retirement run that the gain became apparent. If the amount detailed in Section 3.5 was as a result of a loss, please leave this section blank and move onto Section 4.

Section 4

39. Sections 4.1 to 4.5: See paragraphs 23 to 26 above.
40. Section 4.6: This is the amount of any cash redress paid.
41. Section 4.7: This is the amount of any pension redress made.

Section 5

42. Sections 5.1 to 5.5: These questions are in respect of the pension redress purchased.

Section 6

43. Sections 6.1 to 6.3: See paragraphs 28 and 29 above.